

USA TOURISM IN THE COMING TRUMP ERA



A few days after Donald Trump was elected President of the United States for a second time, the travel industry is beginning to speculate about the changes his administration will bring to both domestic and international travel.

The U.S. Travel Association has stated that it is prepared "to work with the next administration to make the United States the world's leading destination and improve the experience for millions of Americans who travel every day by road, rail, and air." However, **USA tourism industry insiders are expressing concerns about the potential implications for the sector based on the tycoon's upcoming decisions.**

Experts indicate that the Trump administration will depart from the status quo in its policies, particularly regarding some decisions made by the Biden administration on airline mergers, environmental protection, and travel.

M&A

Successful entrepreneur Donald Trump is known for his support of big businesses. During his first administration, he favored certain airline mergers, particularly between JetBlue and American Airlines. These merger plans were initiated and approved during Trump's era. Still, they were later rejected by the Department of Justice and the Department of Transportation under President Biden due to concerns about anti-competitive practices. Similarly, the merger between JetBlue and Spirit Airlines faced the same fate.

Experts believe a second Trump administration could lead to "an extraordinary year for mergers and acquisitions," according to Lucinda Guthrie, head of financial data at Mergermarket, who spoke to Variety. Additionally, Leff noted that a new administration could provide an opportunity to revisit airline partnerships like the one proposed between American Airlines and JetBlue. While uncertain how receptive they will be, it certainly raises the possibility of continuing with current policies.

The new Trump era could also signify the end of Biden-era policies that imposed fines on major American companies to protect consumers. For example, American Airlines was fined \$50 million for violating the Air Carrier Access Act by failing to protect disabled passengers between 2019 and 2023. Similarly, Southwest Airlines faced a \$140 million fine for stranding thousands of travelers during the last winter holiday season, which is 30 times higher than any previous fine aimed at protecting consumers.

Environment Issue

The Biden administration's plans for infrastructure investments focus on environmental conservation and reducing greenhouse gas emissions, which are likely different from Trump's priorities. The new president has expressed a desire to withdraw from the Paris Climate Agreement, aiming to limit global warming to, on average, below 2 degrees Celsius.

Rolling back environmental policies would result in less scrutiny for the travel industry, particularly airlines. This would undermine the Biden administration's efforts to fund the production of

alternative aviation fuels under the Inflation Reduction Act. The nature of such investments and incentives is expected to change dramatically when Trump takes office.

Trips

Travel in the United States has significantly increased since Trump left office. Hotels and airlines have reported record profits since the pandemic, leading to excess demand clashing with a shortage of workers in the travel and hospitality sector.

The U.S. Travel Association has indicated that there are as many as 1 million unfilled jobs in the USA tourism sector, and the limitations on seasonal visa programs complicate the situation. Given the ongoing issues with immigration regulation—an area that has been a key focus of Trump's policies—the likelihood of expanding access to these visas seems low.

The visa problem also significantly affects USA tourism. Last week, U.S. Secretary of State Antony Blinken and Commerce Secretary Gina Raimondo mentioned that the United States anticipates hosting 90 million international visitors by 2026. However, a significant constraint is the wait time for U.S. visas, which averaged 400 days in 2023 for the top 10 countries of origin.

Fortunately, this trend has changed under the Biden administration. A record 8.5 million visitor visas were issued in 2024, and wait times have been reduced by 60%. The State Department has also announced plans to add 1 million visa appointments by 2025 to help alleviate delays. However, this decision could be reversed if there is a change in the Secretary of State. Former President Trump has already indicated that he would reinstate his travel bans, which **restricted entry to the United States for citizens of several Muslim-majority countries in 2017** and resulted in over \$1.3 billion in travel revenue losses, according to the Global Business Travel Association.

The question of China's role in USA tourism is also significant. Will the tycoon's aggressive trade policy from his first term, which included tariffs and strict limitations on technology exports to China, be repeated? According to Leff, ongoing trade tensions with Beijing will likely hinder a robust recovery in travel between the United States and China. As a result, air traffic between the two countries is still substantially below pre-pandemic levels seen in 2019.

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